

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:

SHENGDATECH, INC.

Case No. BK-11-52649

Chapter 11

**AFFIDAVIT AND DISCLOSURE
STATEMENT OF DREW BERNSTEIN
ON BEHALF OF MARCUM
BERNSTEIN & PINCHUK LLP**STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

Drew Bernstein, being duly sworn, upon his oath, deposes and says:

1. I am a Partner of Marcum Bernstein & Pinchuk LLP, located at Seven Penn Plaza, New York, NY 10001 (the "Firm").

2. ShengdaTech, Inc. ("ShengdaTech" or the "Debtor") has requested that the Firm provide services to the Debtor, and the Firm has consented to provide such services.

3. The Firm may have performed services in the past, and may perform services in the future, in matters unrelated to the Debtor's chapter 11 case, for persons that are parties in interest in this case. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants, employees of the Debtor, or other parties in interest in this case. The Firm does not have any relationship with any such person or its attorneys or accountants that would be adverse to the Debtor or its estate, and does not and will not perform services for any such person in connection with this case.

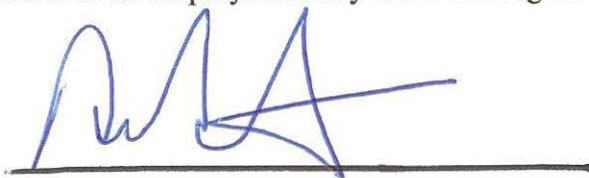
Greenberg Traurig, LLP
3773 Howard Hughes Parkway, Suite 400 North
Las Vegas, Nevada 89169
(702) 792-3773
(702) 792-9002 (fax)

1 4. Neither I nor any principal of or professional employed by the Firm has agreed to
 2 share or will share any portion of the compensation or reimbursement to be received from the
 3 Debtor with any person other than the principals and employees of the Firm.

4 5. Insofar as I have been able to ascertain, neither I nor any principal of or
 5 professional employed by the Firm holds or represents any interest adverse to the Debtor its
 6 estate.

7 6. Prior to the Petition Date, on July 22, 2011, the Debtor provided the Firm with a
 8 retainer in the amount of \$150,000. To date, \$145,000 of this amount is remaining, and \$5,000
 9 was applied on account of pre-petition services performed on or around June 15, 2011

10 7. The Firm will continue to conduct inquiries regarding its retention by any
 11 creditors of the Debtor, and will supplement the information contained in this Affidavit if the
 12 Firm should discover at any time during the period of its employment any facts bearing on the
 13 matters described herein.



14 *N.Y.*
 15 *N.Y.*
 16 Subscribed and sworn to before me
 17 this 14 day of OCTOBER, 2011.



17 Notary Public

20 ROBERT MERCURIO
 21 Notary Public - State of New York
 22 No. 31-4709982
 23 Qualified in New York County
 24 Commission Expires 1/31/2015

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In re ShengdaTech, Inc.
1 Chapter 11 Case No. 11-52649

2 **RETENTION QUESTIONNAIRE**

3 TO BE COMPLETED BY PROFESSIONALS EMPLOYED BY
4 SHENGDATECH, INC. ("ShengdaTech" or the "Debtor")

5 **DO NOT FILE THIS QUESTIONNAIRE WITH THE COURT.**
6 **RETURN IT FOR FILING WITH THE DEBTOR AT:**

7 Greenberg Traurig, LLP
8 77 West Wacker Drive
Suite 3100
9 Chicago, Illinois 60601
Attn: Nancy A. Peterman, Esq.

10 All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate.
11 If more space is needed, please complete on a separate page and attach.

12 1. Name and address of firm:

13 Marcum Bernstein & Pinchuk LLP

14 Seven Penn Plaza

15 New York, NY 10001

16 2. Date of retention: _____

17 3. Type of services provided (accounting, legal, etc.)

18 Accounting/Auditing

19 4. Brief description of services to be provided.

20 We will audit the internal controls over financial reporting and
audit the consolidated balance sheets of ShengdaTech, Inc. and its
subsidiaries (the "Company") as of December 31, 2008, 2009 and
2010 and the related consolidated statements of income,
comprehensive income (if required), stockholders' equity and cash
flows for the year then ended, which will be included within and
made part of the Company's Form 10K filed with the Securities
and Exchange Commission.

21 We will review the consolidated balance sheets of the Company as
of March 31, 2011, June 30, 2011 and September 30, 2011 as well
as any additional correctly reviews as deemed necessary by the
SEC.

1 5. Arrangements for compensation (hourly, contingent, etc.)

2 Hourly

3 (a) Average hourly rate (if applicable): See Attached rate
4 schedule

5 (b) Estimated average monthly compensation based on
6 prepetition retention (if firm was employed prepetition):

7 See Attached Rate Schedule

8 6. Prepetition claims against the Debtor held by the firm:

9 Amount of claim: \$ 5,000

10 Date claim arose: 6/30/11

11 Source of claim: Acceptance procedures performed

12 7. Prepetition claims against the Debtor held individually by any
13 member, associate, or professional employee of the firm:

14 Name: None

15 Status: N/A

16 Amount of claim: \$N/A

17 Date claim arose: N/A

18 Source of claim: N/A

19 _____
20 _____
21 _____

22 8. Stock of the Debtor or any of its affiliates currently held
23 by the firm:

24 No. of shares: None

25 Kind of shares: N/A

1 9. Stock of the Debtor or any of its affiliates currently held
2 individually by any member, associate, or professional employee
3 of the firm:

4 Name: N/A _____
5

6 Status: N/A _____
7

8 No. of shares: N/A _____
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10 Kind of shares: N/A _____
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12 10. Disclose the nature and provide a brief description of any
13 interest adverse to the Debtor or its estate with respect to the
14 matters on which the firm is to be employed:
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16 11. None _____
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Rate Schedule

Our services are normally billed at our standard hourly rates plus direct expenses, including transportation and lodging as follows:

| | |
|----------------------------|-------------------------------------|
| Partners | \$450 - \$595 average rate per hour |
| Senior Managers & Managers | \$280 - \$440 average rate per hour |
| Supervisors | \$210 - \$275 average rate per hour |
| Accounting Seniors & Staff | \$145 - \$195 average rate per hour |

